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April 17, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Hand Delivered

Ms. Magalie Roman Salas, Secretary
Federal Communications Commission
445 - 12th Street, S.W., TW-A325
Washington, D.C. 20554

Re: Ex Parte Presentation -- U S WEST Wireless, LLC and Sprint PCS -- C/F Block
Reauction Proposal and Petition for Reconsideration, WT Docket No. 97-82

Dear Ms. Salas:

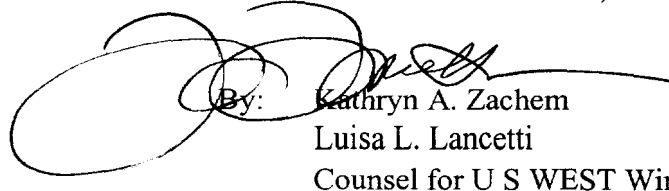
This letter serves as notification that on Friday, April 14, 2000, Kathryn A. Zachem, Luisa L. Lancetti, Michael Deuel Sullivan, and Elridge A. Stafford (representing U S WEST Wireless, LLC), and Jonathan M. Chambers (representing Sprint PCS), had a meeting with Mark D. Schneider (Senior Legal Advisor to Commissioner Ness) to discuss issues concerning the above-captioned proceeding. A copy of the presentation material distributed and discussed at the *ex parte* meeting is attached hereto.

Pursuant to Section 1.1206(a), an original and one copy of this letter are being filed with your office. Please associate this letter with the file in the above-captioned proceeding.

Please contact us should you have questions concerning the foregoing.

Sincerely,

WILKINSON BARKER KNAUER, LLP

By: 
Kathryn A. Zachem
Luisa L. Lancetti
Counsel for U S WEST Wireless, LLC

Attachments

cc (w/attach): Mark D. Schneider

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C and F Block Reauction Rules

Joint Petition for Reconsideration of the
Order on Reconsideration of the Fourth
Report and Order in WT Docket No. 97-82

Ex Parte Presentation
U S WEST Wireless and Sprint PCS
April 11, 2000

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OFFICE OF THE SECRETARY

USWW, Sprint Separately Recognized Need to Disaggregate C Block, Open Eligibility

- On 2/22/00, in separately-filed comments on Nextel/SBC Petitions:
 - USWW and Sprint PCS independently concluded that FCC should split 30 MHz C block licenses into three 10 MHz licenses and open eligibility
 - Both companies urged rejection of Nextel bulk bid proposal
 - Companies expressed various views on how to achieve these objectives procedurally (e.g., rulemaking vs. waiver)
- On 3/1/00, in separately-filed reply comments, USWW and Sprint PCS noted agreement in substance of their proposals
- On 3/29/00 USWW *ex parte* filing outlined USWW proposal
 - Filing addressed several alternative procedural paths, including the vehicle of proceeding directly to an order reconsidering the February *Order on Reconsideration of the Fourth Report and Order* in WT Docket No. 97-82
- On 3/31/00, USWW and Sprint PCS met jointly with WTB staff
 - Presented proposals for effectuating split-30 MHz, open eligibility plan
 - Discussed possibility of implementing these changes through reconsideration of the February *Order*, consistent with earlier USWW written *ex parte*

The Commission Should Further All Four § 309(j)(3) Objectives

- Under § 309(j)(3), the auction rules must seek to further *all four* objectives:
 - Rapid deployment of new services
 - Diversity/opportunities for new entrants
 - Recovery of value of spectrum
 - Efficient use of spectrum
- Existing rules do not balance all four objectives, in light of current conditions and record
- Other reaction proposals also fall short

USWW-Sprint PCS Proposal

- Divide the 30 MHz C block licenses into three 10 MHz licenses
- Open 10 MHz C block, 15 MHz C block, and 10 MHz F block bidding to non-DEs
- Continue to provide DEs with bidding credits for all C and F block licenses
- Use a simultaneous multi-round BTA auction for these licenses, without license aggregation limit (but no set-aside for bulk bidding)
 - Permit multi-market bidder to bid for as many BTA licenses as it wishes
 - Bulk bid would preclude many bidders entirely and would impose uncertainty, transactional costs, and burdens of aftermarket on licensees
- Allow flexibility in spectrum usage, based on market needs and bidders' business plans
 - Flexibility is beneficial for new entrants and incumbents

Reconsideration of February Order Provides Appropriate Vehicle for Revising Auction Rules

- *February Order on Reconsideration of Fourth Report and Order* was decided shortly before a record was compiled in response to Nextel, SBC, and other C/F Block reauction-related petitions
- Since then, extensive comments, replies, proposals have been filed in response to those petitions
 - There is now a record on changed circumstances since 1994 and how block size, eligibility, and auction methodology should be changed to address current situation
- Reconsideration of *February Order* in light of newly expanded record is both appropriate and necessary — the current record requires reconsideration of the auction rules
- Given the many interrelated auction issues covered in the recent filings, FCC needs to revisit all auction rules affecting furtherance of §309(j)(3) objectives
- On April 4, 2000, USWW and Sprint jointly filed a petition for reconsideration, on an expedited basis, of the *February Order*

Consider the Entire Record, Including All Reauction Alternatives

- In acting on the USWW-Sprint PCS petition for reconsideration, the Commission should:
 - Incorporate the entire record on all outstanding C/F Block auction-related petitions and proposals
 - Consider *all alternatives* in the existing record
 - Consider the specific USWW- Sprint PCS proposal, as set forth in their joint petition for reconsideration, in light of the existing record
 - Reach a final conclusion and take action on on all outstanding reauction petitions and proposals, thereby providing needed certainty and avoiding a source of further delay

The Commission Should Proceed Directly to an Order

- WTB has already sought comment on USWW-Sprint PCS petition for reconsideration; no further proceedings are needed
- There is an extensive existing record
- Expedited procedures are warranted in furtherance of § 309(j)(3)(A) objective of deploying new services without unnecessary delay (see *Omnipoint v. FCC*, 78 F.3d 620 (D.C. Cir. 1996))
 - Certainty is needed as to the rules that will apply to the reauction
 - Prompt establishment of fair rules will provide added certainty and avoid unnecessary administrative and judicial delay

1Q 2000												7/26/00 Auction	Other (DE)
Market	1990 POPs	SPCS	ATT	Nextel	BAMVA	Alltel	SBC	GSM	BLS	USW			
New York	18,050,615	30	25 10	15.5	25			40			30	10	
Los Angeles	14,549,810	30	25 10	14	25		30	10			30	10	
Chicago	8,182,076	20	30	15	25 30		25	30			10		
San Francisco, et al.	6,420,984	30	25 10	17	25 25		30	10			10	30	
Philadelphia, et al.	5,899,345	30	30	15.5	25 10		25	10			10	15	
Detroit	4,705,164	30	30	14	25		25	30 10 10					
Dallas-Fort Worth	4,329,924	30	25 10 10	15.5	30		25	30			10		
Boston	4,133,895	30	30	14.5	25		25	30			30		
Washington	4,118,628	30	30	15	25 10 10		25	10 10			30		
Houston	4,054,253	10	25 10	14	25 30			30	25		30	10	
Miami-Ft Lauderdale.	3,270,606	30	25 10	13	30			20	25			30	
Atlanta	3,197,171	10	30	14	25	10		30	25		10	30	
Cleveland-	2,894,133	10	30	14	25	25	30	10			30	10	
Minneapolis-St. Paul	2,840,561	30	25 10	15.5	25			30		10	30	10	
St. Louis	2,742,114	30	30	15	25		25	30 10 10				10	
Seattle-Tacoma	2,708,949	30	25 10	15.5	30 25			20			30		
Pittsburgh	2,507,839	30	25 10	15	25			30			30	10 10	
San Diego	2,498,016	30	10	14	25 25		30	10			30	10	
Baltimore	2,430,563	30	30	15	25 10		25	10			30		
Phoenix	2,404,760	30	30	12.5	25	25		20		10		30	
Tampa-St.	2,249,405	10	25	14	30	25		30	10		30	10	
San Juan	2,170,246	10	30	3	25 10			10				15 15 25	
Denver	2,073,952	30	25 10	13	25			30		10	30	10 10	
Cincinnati	1,990,451	10	30	15.5	30 25		25	10			30	10	
Kansas City	1,839,569	30	10	13.5	25		25	30			30	10	
Milwaukee	1,751,525	30	10	14.5	30		25	10			10	25 30	
Portland	1,690,930	30	25 10	14.5	25			30			10 30		
Charlotte-	1,671,037	10	30	14.5	25	25 10		10	30		30	10 10	
Sacramento	1,656,581	30	25 10	17	25		30	10			10	30	
Norfolk	1,635,296	10	30	14	25 30	25		10 10			30		
San Antonio	1,530,954	30	25 10	13	30		25	10 10			30		
Providence, et al.	1,509,789	30	30	15	25		25	10			30		
Columbus	1,477,891	20	30	15	25		25	30			30	10	
Nashville	1,429,309	30	30	12.5	25			10 10 10	25			15	
Memphis	1,396,390	10	30	15	25	10		30	25			15 15	
New Orleans	1,367,169	30	10 10	15.5	30		25		25			15 15	
Louisville	1,352,955	30	30	12.5	25			20	25		30	10	
Mayaguez	1,351,600	10	30	14.5	25 10							10 15 15 25	
Indianapolis	1,321,911	30	10	14.5	25		30	10	25		30	10	
Salt Lake City-Ogden	1,308,035	30	25 10	13	25			30		10	10	30	
Oklahoma City	1,305,472	30	25 10	15			25	30 10			30	10	
Orlando	1,256,429	10	25 10	14	30			30	25		30	10	
Greensboro	1,241,349	10	30	14.5	25	10		10	30		30	10 10 25	
Buffalo-Niagara Falls	1,231,795	30	30	15	25 10		25	10				10 30	
Dayton	1,207,689	10	30	15.5	30 25		25	10			30	10 10	
Birmingham	1,200,336	30	10	15	25			30 10	25			15 15	
Hartford	1,123,678	30	10 10	15.5	25		25	30				10 30	
Rochester	1,118,963	30	25 10	15.5	25		25	20				10	
Jacksonville	1,114,847	10	25	15	30	10		30	25		30	10	
Richmond	1,090,869	10	30	15	25 30			10			30	10 25	
Raleigh-Durham	1,089,423	10	30	14.5	25	25 10		10	30			10 30	
Albany-Schenectady	1,028,615	30	10	10	25		25	30			30	10	
New Haven et al.	978,311	30	20	10	25		25	30			30	10	
Knoxville	948,055	10	30	13	25			10	30			10 15 15 25	
Grand Rapids	916,060	30	30	10	25			10 10				15 15 25	
Omaha	899,361	30	30	13.5	25	25				10		10 15 15	
Austin	899,361	30	25 10	10	30 25		25	30			30	10	
West Palm Beach	893,145	30	25 10	10	30			10				25 30	
Las Vegas	857,856	30	25 10	10	25	25	30	10			10	15 15	
Little Rock	852,026	30	30	15		25 10	25	10				10 30	
Tulsa	836,559	30	25 10	15		10	30	10			10	15 15 25	
Honolulu	836,231	30 10	25 10	12.5	25		25	30			10	30	

Footnotes:

-25MHz=cellular A or B band
-30MHz=PCS A, B or C block
-10MHz=PCS D,E, or F block
-15MHz=disaggregation of C block
- Arrow signifies markets where GSM is represented by either BellSouth or PacBell.

AT&T
Triton
Tritel
Telecorp
Cinci

BAMVA
GTE
PrimeCo
BAM
Frontier
AirTouch
Rivgam

Alltel
Alltel
Alliant

SBC
SWB
AIT
PacBel
Comcast
SNET
Radiofone

GSM
Aerial
Omnipoint
Powertel
VolveStream
EastWest

7/26/00
Auction
Nextwave
Other

Other (DE)
GWI
Pocket
Leap
Northcoast
Other DE